

Material Event Disclosure – November 8, 2012

City of Riverside 2008 Refunding Electric Revenue Bonds, Series A/B/C

Pursuant to the requirements of the Continuing Disclosure Certificate for the above referenced issue, notice is hereby given of a material event consistent with Rule 15c2-12 of the Securities and Exchange Commission. The following material events have occurred:

- **Actions taken relative to Bank of America N.A.'s (B of A) rating:**

(1) – On June 21, 2012, Moody's decreased its rating from "A2/P-1" to "A3/P-2"

B of A provided a letter of credit and standby purchase agreement guaranteeing the scheduled payment of principal and interest on the bonds.

THE BELOW DISCLOSURE INFORMATION HAS PREVIOUSLY BEEN PROVIDED

- **Actions relative to the bonds:**

(1) – On April 28, 2011, the City of Riverside defeased the 2008 Refunding Electric Revenue Bonds, Series B with the 2011 Refunding Electric Revenue Bonds, Series A. On May 2, 2011, the 2008 Refunding Electric Revenue Bonds, Series B will be redeemed.

- **Actions taken relative to the rating on the bonds:**

(1) – On January 29, 2010, Standard & Poor's decreased its long-term rating from "AA-/A-1" to "A+/A-1" and changed the outlook from stable to not meaningful. This change is a reflection of the credit quality of the financial institution that provided the letter of credit (LOC) in support of the bond issue.

(2) - On February 5, 2010, Standard & Poor's withdrew its underlying rating (SPUR) on the bonds "as a result of a review of bond documents, and a subsequent determination that they are not eligible for joint-support criteria due to structural considerations. The rating reflects the credit quality of the financial institution providing the letter of credit (LOC) in support of the bond issue." The Electric System maintains an "AA-" rating from Standard and Poor's.

- **Actions taken relative to Bank of America N.A.'s (B of A) rating:**

- (1) – On July 21, 2008, Fitch decreased its rating from “AA” to “AA-“
- (2) – On December 19, 2008, Standard & Poor’s decreased its rating from “AA” to “AA-”
- (3) – On January 16, 2009, Fitch decreased its rating from “AA-“ to “A+”
- (4) – On March 3, 2009, Standard & Poor’s decreased its rating from “AA-“ to “A+”
- (5) – On March 25, 2009, Moody’s decreased its rating from “Aa2” to “Aa3”
- (6) – On September 21, 2011, Moody’s decreased its rating from “Aa3“ to “A2”
- (7) – On November 29, 2011, Standard & Poor’s decreased its rating from “A+“ to “A”
- (8) – On December 15, 2011, Fitch decreased its rating from “A+” to “A”

B of A provided a letter of credit and standby purchase agreement guaranteeing the scheduled payment of principal and interest on the bonds.